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News Section

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Nixon in Russia: The biggest international breakthrough, attendant on the Nixon visit to Russia, was not his barbed joshing with Khrushchev in the Exhibition kitchen, but the repercussions on the Soviet iron dictatorship caused by the Captive Nations Week proclamation. This is the view of many on Capitol Hill who express pride in the joint resolution of Congress which set up this resounding proclamation—the most scathing indictment of the Soviet empire's oppression of subject peoples so far publicly made.

By happenstance, more than anything else, Captive Nations Week coincided with Nixon's arrival in Moscow, and the resultant squeals of rage by Khrushchev transmuted what otherwise might have been merely a routine congressional statement into a stirring international incident, picked up and disseminated all over the globe. The US Congress and the President, by branding the Soviet empire for what it is, dwarfed whatever propaganda prestige Khrushchev sought to wring out of Nixon's visit, as the world situation is assessed in Washington.

What fascinates observers in the Nation's Capital even more is the prospect of Nixon's visit to Poland. Not all are agreed that the Vice President's trip to Eastern Europe will bring blessings to the free world. But the Polish trip holds some promise, according to Polish exiles now in this country. The organization known as The Assembly of Captive Nations, with headquarters near the UN building in New York, including representatives of nine such nations, would like to see the Nixon trip to Poland turned into a demonstration against that country's Russian masters.

The Assembly's chairman this year happens to be a Pole, Stefan Korbonski, former member of the pre-war Polish free parliament. Radio Free Europe has been broadcasting to Poland the Assembly's utterances urging that the Poles receive Nixon, not as an American statesman visiting dictator Gomulka, but as one who is visiting and paying tribute to the oppressed Polish people.

A hearty welcome in the streets from the Poles to the American Vice President—it is expected—would serve as a rebuke to Khrushchev's "rough" and "brutal" greeting to Nixon when the latter first reached Moscow.

Whatever may be the outcome of such efforts, the acute distress of the Soviet dictatorship over Captive Nations Week indicates the infirm basis of the Soviet empire, and has not gone unnoticed by the chanceries of many Governments throughout the world.

On Capitol Hill, much talk circulates about the possibility of extending Captive Nations Week into Captive Nations Year. It is noted that the President was directed by the congressional resolution to "invite the people of the United States to observe such week with appropriate ceremonies and activities." Such activities, it is suggested, could include prayers in all churches for "the recovery of their freedom and independence." Nor is there any reason why these ceremonies and activities should be confined to one week alone—they could quite properly be extended for many weeks to come.

Nixon the Candidate: If the Vice President's luck holds, the Capital thinks, his trip abroad may result in a strong surge of popular feeling for his nomination and election as President next year. At least, early reports and opinion samplings on Capitol Hill indicate that Nixon has tapped new layers of popularity among the mass of American people. It is considered significant that Senator Mike Mansfield of Montana, Democratic whip of the Senate, rushed in to pay tribute to the Vice President's handling of his visit to Soviet Russia. The comment of Representative Richard Simpson of Pennsylvania, GOP wheelhorse in the lower chamber, is characteristic:

"Nixon is becoming the free world's secret weapon in the cold war. His two-fisted replies to Khrushchev's arrogant charges and threats completely confounded the Communists. It was exactly what a lot of ordinary Americans have been itching to tell Khrushchev."

Nixon enthusiasts—although conceding that it is too soon to tell how this experimental trip will turn out—count on political gains for their favorite. Nixon had received the invitation to visit Poland from the puppet Gomulka Government several months ago. But—it is reported—he did not make the decision to accept the invitation until after he arrived in Moscow and observed Khrushchev's alarm over the Captive Nations proclamation.

It is believed that he will visit Cardinal Wyszynski, as well as Premier Gomulka, and seek to lighten the burden which the Catholic church bears under the Red yoke. If successful, his prestige will run high among the millions of Polish-American citizens in Chicago, Milwaukee, Detroit, Cleveland and other areas. This would be a big political coup for the Republicans, who have lost in recent years much of the support they won among this element of the population in the election of 1952.

Nixon partisans, however, greet rather coolly his reported suggestion that the US invite Khrushchev to visit America. Actually, dispatches from the Nixon party in

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far off Siberia do not make it clear whether the Vice President really proposes such an idea.

Senator Styles Bridges (R.-N.H.) voiced the feelings of many Senators in saying he was very much opposed to issuing any invitation to Khrushchev to come to this country, because "it would serve no useful purpose." The Soviet dictator, he said, would "only utilize a trip to the US as a propaganda stunt which would injure the United States and the free peoples of the world."

Rockefeller: While the handsome New York Governor has many admirers among the reigning group of Washington correspondents and columnists, some criticism has begun to appear among them, notably from Mrs. May Craig, who serves a number of Maine newspapers, and can usually be counted upon for penetrating questions when she appears on television programs, such as *Meet the Press.*

It is noted here with some surprise that Mrs. Craig, who is an old friend of Mrs. Eleanor Roosevelt and most of the Roosevelt-Truman cronies, now is raking Nelson over the coals on an issue on which few "liberals" in the press have dared criticize Rockefeller's stand.

"Rockefeller," writes Mrs. Craig in the Portland *Press-Herald,* July 25, "said one thing on this TV show [*Meet the Press*] which may defeat him for the nomination as President on the Republican ticket." She refers to the new ordinance in New York against racial and religious discrimination in rental of privately owned multiple-housing. The New York Governor said he supports this in New York City and added that if it works well in Gotham, he would favor it state-wide.

"Republicans," comments Mrs. Craig, "cannot outdo the Democrats in being 'liberal' and this will alienate all property-owners, frighten the more conservative who are the backbone of the GOP. When the Government tells an owner whom he can rent his property to, then the principle of private property ownership is hit at its very foundation. Rental owners must have some control over tenants, some choice, or [they] cannot keep order. Where public tax money is spent for housing, there can be no discrimination; but to apply this to private property is something else. Mr. Rockefeller, in saying this, blasted a big hole in the dike of popularity that might get him the nomination."

Although Mrs. Craig did not mention it, this issue has brought some vigorous dissent to the "liberal" measure for control over private housing. Recently, a wave of public protest drowned a proposed similar bill in the industrial State of Rhode Island.

Steel: The menace of foreign steel imports mounts day by day as more details are revealed—adding urgency to the need for a non-inflationary settlement in the steel strike.

The American Iron and Steel Institute last week reported that US imports of steel hit a record 384,787 tons in May. The *Wall Street Journal* (July 20) said that Italian-fabricated steel towers will begin arriving in New York shortly for utility lines in northern New York; Goodyear and Firestone in Akron have sought certain types of wire reinforcing from Belgium and France; and Borg-Warner in Chicago is experimenting with foreign steel. This trend has been developing for some time, says the *Journal,* and for one reason: "Foreign steel makers on many steel items simply are offering lower prices than their US competitors."

From Kansas, former GOP Presidential nominee Alf Landon sends us in detail facts about steel products in the petroleum industry (Landon himself is an oil man). "German casing and tubing—made according to the American Petroleum Institute specifications—can be bought in Kansas for $30 a ton less than American tubular pipe. German structural steel is being laid down in Kansas City for $40 a ton less than American steel. With the enlarging of the St. Lawrence Seaway, the lower transportation costs will probably be reflected in lower prices. Belgian barbed wire is selling in Kansas for approximately $1.75 a spool less than American barbed wire and it is just as good."

Such facts provide a corrective to Steelworkers' boss McDonald's forensics in favor of higher wages for his union members.

Soapy's Wonderland: Despite denials from Governor "Soapy" Williams of Michigan and his aides in the labor-dominated Government of that state, the flight of industry and the debacle of the state finances still goes on and is reflected in the headlines of Detroit newspapers.

(1) *"Leave Detroit" a UAW local president advised workers of the Dodge Main plant—so runs the lead of a story in the July 13* Detroit Free Press. *The local president, Pat Quinn, spoke at a rally of more than 4,000 Dodge Main unemployed workers. He could offer the workers little hope, at least for regaining their jobs here. "If I had seniority less than of 1949, I would go to St. Louis," Quinn said. Some Dodge Main operations will soon be transferred to St. Louis, Mo.*

This item provides additional evidence of the flight of industry (documented in the HUMAN EVENTS article "Walter's Boy Soapy" by Frank C. Hanighen, October 13, 1958). Last winter it was reported that "caravans" of workers were leaving Michigan by car for Alaska to seek a new life there; and that industry, too heavily laden by burdens from the "Labor" Government, were looking southward to Ohio and the Carolinas for new plant sites.

(2) The Detroit *News* on July 21 reported, from its bureau in Lansing, the following questions pouring into the state capital from merchants, big and small, who have sold goods to state agencies: "Why can't we get our money for the goods and services we sold you? Why keep us waiting for weeks when you are able to meet state payrolls? We made the sale to you in good faith. When will we get paid?" The State Auditor is holding 27,654 vouchers (checks), totaling $5,995,000, which can't be mailed because the state treasury hasn't the money to pay its bills. The rest of the story details a number of the cases of state bills owed but not paid.

(3) This gaping hole in the state exchequer is due to the fact that Governor Williams has refused until now to raise the money by an increase in the sales tax, and has insisted that the legislature pass a state income tax.

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The *Detroit Free Press* of June 30 editorially states: "The public has consistently opposed an income tax. Regardless of whether such a tax would be good or bad for Michigan, the fact remains that the public has strongly indicated they don't want it . . . Governor Williams has criticized Republicans and Democrats alike who have indicated a willingness to give the public what it has indicated it wants—an increased sales tax." Reuther's boy Soapy thinks he knows best.

Capitol Camera: Democratic National Committee Chairman Paul Butler is playing a rather hypocritical role in his all-out campaign for strong civil rights legislation, according to syndicated columnist George Dixon. This writer claims to have a photostatic copy of a 1954 hand-written note from Butler to the Democratic State Chairman of Georgia which read:

> **"I do not consider the question of segregation a political issue. I see no reason for any chairman of our party at any time to project segregation into our political discussions. As a lawyer, and if I were to be party chairman, I would consider it not to be a matter subject to political debate or political discussion."**

In recent speeches, Senator Barry Goldwater (R.-Ariz.) has been referring to Paul Butler as "the greatest thing that has happened to the Republican party since Abraham Lincoln."

● Constituents exercise powerful influence over their Congressmen when they make their wants known. When Robert Kennedy, chief counsel for the Senate Rackets Committee, made a recent appearance on the Jack Paar television show, he urged viewers to let Washington know that they wanted labor reform legislation. Representative Merwin Coad (D.-Iowa), who was given financial backing by unions in the 1958 election and who usually votes right down the line advocated by the left-wing Americans for Democratic Action, reported that his office was swamped with mail demanding a labor reform bill. He said that the volume was so great his office staff could not handle it. Coad even asked for equal time on the Paar show so that he could give a mass reply to his constituents back home. Coad agreed "that good labor reform legislation must be passed this session."

● An article entitled "Hawaiian Success Story," by David S. Teeple, in the August issue of *Pageant* magazine, tells the story of Hiram Fong, newly elected Republican Senator from the 50th state. Sources who know Senator Fong well are forecasting that his election will prove to be a marked victory for the conservatives of the Nation.

"Cultural Exchange": Graphic evidence comes from two fronts concerning the value of "cultural exchanges" between the US and USSR.

In the Capital, a Ukrainian writer who was once sent to Siberia for refusing to kowtow to the Reds pointed out some of the dangers of such exchanges. Ivan P. Bahriany, now president of the Ukraine government-in-exile, told the House Committee on Un-American Activities that exchanges are planned to demoralize the West and to cover up the lack of cultural freedom in Russia. Bahriany also specifically criticized the sending of works by pro-Communist artists to Moscow [see "The Moscow Art Exhibit" by Representative Francis E. Walter (D.-Pa.) in HUMAN EVENTS for June 24], saying the Russian people will "of necessity" conclude that the Communist party is very strong in the US.

Meanwhile, US fair officials in Moscow stood by and let the Reds tell them what books could be displayed at the exhibit. Soviet censors found US Fair Director Harold McClellan willing to remove 75 to 100 books before the fair opened. (The books were written by authors as diverse as Herbert Hoover and Norman Thomas.) McClellan termed the censorship a "small thing" and said he would not lose sight of the "main objective" of demonstrating the American way of life.

Reportedly, the Russian people, who received tickets only through the Communist party, which had charge of distributing them, have been "stealing" the books at the exhibit, including a Russian-language copy of the Bible, which was one of the first to be taken. However, McClellan has minimized even this possible Western gain by putting all magazines and newspapers under glass so the Russians cannot read them. The action was taken because McClellan did not have time to determine whether any of them might be "controversial" or offensive to the Red bosses.

● The first voice raised on Capitol Hill against the example of Red "book-burning" was that of Senator Styles Bridges (R.-N.H.). Bridges lashed the Democratic "liberals" in a scathing Senate speech last Wednesday, hitting them fore and aft for failing to denounce this censorship, although these same "liberals" had attacked Senator Joe McCarthy in 1954 for seeking to exclude pro-Communist books from USIA libraries.

Loyalty Oath: Frustrated "liberals," particularly Democratic Presidential candidate John F. Kennedy, have been dealt another blow in the US Senate. Following two days of heated floor debate, a bill (S. 819—sponsored by Senator Kennedy) to kill the loyalty oath requirement contained in the 1958 National Defense Education Act was recommitted to the Senate Labor and Public Welfare Committee. In congressional parlance, "to recommit" usually means to kill, at least for the session.

Under the 1958 act, a college student who wants to borrow money from the Federal Government to defray the cost of his education must first swear allegiance to the United States and file an affidavit to the effect that he does not belong to any organization intent on overthrowing the US Government.

Kennedy and S. 819 co-sponsor Joseph Clark (D.-Pa.) called for repeal of both the affidavit and loyalty oath requirements.

Arguments have raged long and loud on the merits of these provisions ever since they were incorporated in the Defense Education Act last year. "Liberals" have contended that they single out needy students with an implied suspicion that they may be disloyal.

Conservatives have taken the position that no loyal person should consider it an affront to attest his loyalty to his country and disavow any association with the Communist conspiracy. Senator Karl Mundt (R.-S.D.)

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pointed out the loans were being given as a defense measure—and defense is not promoted by aiding students who advocate overthrowing the Government.

The bipartisan 49-42 vote which sent the bill back to the subcommittee virtually kills any chance of further action on it during the current session. Kennedy doubted whether it "will ever again see the light of day."

States' Rights Bill: Not generally realized outside the Nation's Capital are several implications of the States' Rights Bill (H.R. 3) passed by the House last month.

Observers here point out that the bill, attacked by "liberals" on the ground that it aims to preserve segregation, actually will return to the states the power to suppress subversion and to maintain their precious water rights which have been "watered down" by a long series of pro-big Government decisions by the Supreme Court dating back to 1940.

Actually the states' rights measure was initially introduced before the Supreme Court rendered its historic decision on school segregation. The main purpose of the bill was to correct the opinion of the Pennsylvania Supreme Court which, by upsetting the conviction of Steve Nelson, had ruled that only the Federal Government could prosecute sedition cases.

H.R. 3 would have no bearing whatsoever on the school segregation case; but it would, at the very least, as Charles Butler of the American Farm Bureau Federation puts it, pave the way for corrective water law legislation so vital to the interests of the states.

This bill, along with H.R. 5555, will correct a Federal-control situation which has become so bad that, as Representative Walter Rogers (D.-Texas) remarks, "If you take a drink of water in one state and cry in another, your tears are subject to Federal control."

Of particular concern in Western states, where water is always in short supply, are cases in which the Navy claims to have all rights to water in streams which have their source in reserved public lands—for instance in California and Nevada. Both H.R. 3 and H.R. 5555 should correct this situation—and both, note Capital observers, deserve all the support they can get in the Senate (where S. 3 is pending) and the House. Public opinion should be mobilized behind them, say conservatives on Capitol Hill.

Socialized Medicine: A plan to subject this country to socialized medicine has been bitterly denounced by members of the medical profession. A bill introduced by "liberal" Representative Aime J. Forand (D.-R.I.) calls for hospital, surgical and nursing home treatment for aged persons through an increase in social security taxes. The House Ways and Means Committee recently held hearings on the measure. Dr. Milford O. Rouse of Dallas, speaking on behalf of the Texas Medical Association, charged that "this bill is actually compulsory health insurance," which is "unwise and not needed." Dr. Rouse testified that "private medical care is greatly superior and far less expensive than Government medicine."

Attacking the basic principle of socialized medicine, Dr. Rouse stated: "We oppose Federal intervention because we believe that the patient should have unrestricted free choice in selecting a doctor. We also believe that the doctor owes his unqualified responsibility directly to the patient and not to a Federal agency."

Health, Education and Welfare Secretary Arthur Flemming estimates that the program would cost $1.1 billion during its first year of operation. He also predicts that the proposed increase in social security taxes ($12 a year for both employees and employers) to cover the health plan will fall far short of financing it over the long haul.

Business and Politics: While too many business leaders still remain gun shy at the sound of the word politics, some companies are doing an excellent job of providing their executives and employees with an education in political affairs. The McGraw-Edison Company in New York sets an outstanding example of how to conduct such a program.

Just one year ago this company appointed a Committee for Public Affairs. The committee's primary function is to keep the company informed on governmental or pressure group actions inimical to the preservation of: (a) our form of Government as set forth in the Constitution, (b) the concept of private property and free competitive enterprise, or (c) the best interests of the company and its stockholders.

A highly important additional committee function, authorized (within legal limitations) by the company's governing board, is participation in activities designed to safeguard against the dangers cited above.

Edwin McDowell, the committee's executive director, puts out a monthly newsletter for McGraw-Edison executives reporting political findings and recommendations of his group.

In addition, the company sends out a monthly bulletin devoted exclusively to state and Federal legislative matters, informing the company's hundreds of executives how their elected representatives acted on important issues.

FATHER J. B. CAROL, O.F.M., Editor of "Marian Studies": "I don't 'read' HUMAN EVENTS. I 'devour' it and practically memorize its contents."

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FRANK C. HANIGHEN, *Editor and Publisher* JAMES L. WICK, *Executive Publisher*
FRANK CHODOROV, *Contributing Editor*
Assistant Editors: JOHN R. BENEDICT, NICHOLAS T. NONNENMACHER, GEORGE O. FOWLER

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Article Section

The Real Truth About TVA

Into the Valley of Socialism

THE LIBRARY WISCONSIN STATE COLLEGE RIVER FALLS, WISCONSIN

By CONGRESSMAN BEN FRANKLIN JENSEN

Republican Representative from Iowa's 7th District

THERE HAS BEEN in this country of ours a continual assault on the free enterprise system by socialistically inclined groups. Finding frontal attack ineffective, they have utilized many indirect methods. The dangers inherent in these indirect methods are not always apparent.

In 1933 Senator George W. Norris of Nebraska was prevailed upon to introduce the original Tennessee Valley Authority Act, the preamble of which did not even mention electric power. The act itself claimed that electric power was to be incidental to the principal purposes of navigation and flood control. By leaving power out of the preamble, it could be claimed that TVA was not being created to go into the power business, and would lessen the possibility of having the act declared unconstitutional.

The TVA act established, in effect, for the Tennessee Valley area a dictatorial empire of its own within our free American Republic. Democratic Congresses have continued to appropriate millions of tax dollars to this growing empire. Even its many thousands of employees are not under the US civil service laws, but only beholden to its three appointed board members who have dictatorial powers to rule their empire with an iron hand, because they have your money to do just that, which totals more than the state governments in the Tennessee Valley have to spend altogether.

TVA, in defending the constitutionality of its operation, told the US Court of Appeals in 1938:

> **"With regard to single purpose power dams the Authority has not constructed or recommended for construction and has no intention and no authority under the Tennessee Valley Authority Act to construct such dams."**

And then with respect to the Muscle Shoals steam-electric plant:

"The defendant alleged that the said steam-electric generating plant has not been, and is not being, operated and that there is no plan or intention to operate said plant now or in the future, or to construct or operate any other steam-electric plants. The said plant is merely held by the defendant, Tennessee Valley Authority, as an emergency standby plant for national defense purposes in connection with the munitions plants located near Muscle Shoals, Alabama.

"The defendant, Tennessee Valley Authority, has disposed of, and will dispose of, only such electric energy as generated from the power inevitably created by the operation of the said dams for navigation and flood control and which is not needed for governmental purposes and which would otherwise be wasted."

TVA has not adhered to its solemn statement made to the high US Court. It has gradually assumed and claimed powers that were never intended that it should have.

In violation of its contention to the US Court, TVA has constructed single-purpose hydroelectric plants, purchased and operated single-purpose hydroelectric plants, purchased and operated steam-electric generating plants, constructed and operated steam-electric generating plants, disposed of single-purpose project electric energy from plants constructed by TVA, disposed of steam-electric and hydroelectric energy purchased from others, all contrary to its statement to the court.

Congress was told at the start that the total TVA cost would be less than $150 million. To date Congress has appropriated over $1,944 million in interest-free funds for TVA. All told, including power revenues, TVA has had a total of over $3,750 million to spend from 1933 to the present. Its investment in electric power facilities—including work in progress—now totals over $1,850 million.

Only about 15 per cent of the power investment has been repaid during the 20-odd years of TVA operation. If TVA had to pay interest on the power investment, as some of the other federally financed power projects are scheduled to do, the interest cost would be over $50 million for the year 1959 alone. As it is, the taxpayers of the Nation pay the bill.

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BACK IN 1947, when I was chairman of the Government Corporations Subcommittee of the House Appropriations Committee, it was amply clear from the record that TVA did not intend to make proper repayment of the taxpayers' investment even though its officials and proponents had solemnly told us TVA would provide for such payment.

Therefore, the Government Corporations Appropriations Act of 1948 provided for repayment of money previously appropriated to TVA and any subsequent money to be voted by the Congress. Minimum yearly repayments were also provided for.

TVA figures indicate that it has exceeded the minimum legal repayment requirement by $139,441,000 as of this date. Looking at it through TVA eyes this may be technically correct. Let us examine, however, the actual fiscal transaction and see who is paying whom.

Without any consideration of the interest cost on the taxpayers' investment in TVA or the loss of Federal taxes that would be realized if the area were served by a private utility, we find that in the 25 years since its inception TVA has never in any year returned more to the US Treasury than it has obtained from the Treasury. TVA has been putting a little money in one of Uncle Sam's pockets while taking much more out of another pocket. The so-called repayment that resulted from the Government Corporations Appropriations Act of 1948 is considerably less than the accumulated interest cost at three per cent on the investment in TVA power facilities.

Under the original act, TVA was not given a utility responsibility to serve all the power requirements of the area it now serves. This so-called utility responsibility is something TVA has gradually assumed. In the early years, TVA told the Congress that it had no intentions of buying and operating the steamplants of the private utilities—that the municipalities were to take over and operate the steamplants. As an example, a TVA spokesman told a congressional committee that there was a large steamplant at Memphis which the city could take over and operate and that such an arrangement would be better than having TVA operate the plant.

TVA, however, never carried out such a plan but instead took over and operated the steamplants acquired from the private utilities. Not only that, it executed "captive contracts," that made TVA the "sole supplier" of these various public power groups in the TVA region.

The advocates of the socialization of the electric power industry, failing to get legislation enacted for a nation-wide Federal super-power system, persuaded the Congress and the New Deal Administration to embark upon what was to be a river basin by river basin approach, using navigation and flood control as the vehicle for what was called incidental electric power. TVA was to be only the first of such developments.

Bills were introduced in Congress in 1937 which would have set up seven valley authorities to cover the Nation.

This was in keeping with a program being put forward by Communist groups in the mid-1930's. A friend of mine of long standing, formerly a colleague in the House and now a member of the Senate, told me of having been asked if he would like to attend a Communist meeting during that period. Here is a synopsis of what my colleague and his wife saw and heard at a Communist meeting, just as they told it to me:

In the middle 1930's while they were visiting some old friends in one of our larger cities, to their great surprise the man of the house asked if they would like to attend a Communist meeting that night. How could they? "Well," said the man, "if you will go with me and keep your mouths shut, I will get you in. You see," said the man, "I am a member." So to the Communist meeting they went.

In due time the speaker hung on the wall a large map of the United States, which was divided into nine sections—each section containing one of our great river valleys, of which the Tennessee Valley is one. "Now," said the speaker, "since river valleys are no respecters of state lines, and since America can never be communized so long as there are 48 sovereign states, we must create nine river valley authorities, like the Tennessee Valley Authority, where three men who are not elected by the people, but who are simply appointed by the President, are in full control. When this is accomplished, then 27 all-powerful men will be in complete control of the United States—then all city, county and state governments will be forced to surrender their sovereign powers and we will be in complete control, because we Communists will see to it that the right 27 men are appointed."

The sad part is that they were so adept in covering up their true objectives that for many years quite a number of good patriotic Americans went all out for their cleverly well-planned, anti-American program. And even to this day a few unthinking people, including some public servants in high places, still advocate programs almost as dangerous.

FORTUNATELY, the attempts to establish additional valley authorities were defeated. Many speeches in opposition to them were made in the Congress. Others took up the fight—alert citizens, organizations, radio and newspaper commentators and editors—to the end that a majority of the people stopped the great planners from achieving these

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socialistic aims. However, our citizens must be ever on the alert, as even now there are attempts being made to achieve the same ends by proposals for similar regional authorities under different names.

In 1950, several alert, patriotic top officials of the Electrical Workers Union appeared before the Interior Subcommittee of the Appropriations Committee of the House and pleaded with us to disapprove the funds for most of the hundreds of miles of transmission lines which had that year been requested by the Interior Department's Southeastern Power Administration in the Southeast from Virginia to Florida. They all said they wanted to continue to work for private, Federal taxpaying companies who were willing and ready to build the needed lines. Our committee did disapprove and our action was approved by the Congress.

During the past 15 or 20 years the Federal Government constructed a number of hydroelectric dams in the Texas, Arkansas, Oklahoma and Missouri region. The Interior Department was given the job of disposing of the electric power from these projects. The Southwestern Power Administration was set up in the Department of Interior as the marketing agency. This agency then set up plans for a gigantic power empire complete with hundreds of miles of high voltage transmission lines and steam-electric plants.

When Congress refused to go along with this grandiose scheme, the SPA developed a scheme to get the Rural Electrification Administration co-ops to pull its chestnuts out of the fire by building hundreds of thousands of miles of transmission lines. Then, before the REA-owned transmission and distribution co-ops in that area could purchase Federal hydro-power from these dams, they were obliged to sign a contract with the SPA which provided, in plain words, that after the REA co-ops had completely repaid their loans to the US Treasury, the SPA could pay to the co-ops $10—only $10 mind you—and take over all the thousands of miles of transmission lines which the REA had constructed. These lines would then become the property of the Federal Government.

THE AFFECTED REA officials objected long and strenuously to that demand, but finally signed the contracts because thousands of farmers in that area were told that that was the only way they could get electric power.

When I learned of this provision in these contracts shortly after the election of a Republican Congress in 1953, I, as chairman of the subcommittee handling the Interior Department appropriations, along with other subcommittee members, insisted that these confiscatory provisions of the contracts had to be deleted. This has now been done to the gratification of every REA co-op that had signed such a contract.

With respect to whether TVA is socialistic we have the word of Norman Thomas, the perennial candidate for President on the Socialist party ticket, who so aptly described it in these words:

"The TVA is the only genuinely socialistic act (in the New Deal)—a flower in the midst of weeds."

We now come to a few important phases of the story of the socialistic plan to eliminate the private electric power industry as a step toward complete socialization of all industry.

You have heard the statement, "The power to tax is the power to destroy," which holds just as true today as when the words were first spoken. Too often overlooked, however, is the fact that "the power not to tax uniformly is also the power to destroy."

Our Constitution in Article I, Section 8, says: "All duties, imposts and excises shall be uniform throughout the United States."

Note carefully the word "uniform." It is evident that our forefathers intended that each citizen should bear his fair share of the tax burden for operating the Federal Government. If every person were taxed uniformly and equitably in his or her kind of business or vocation, then all would have an equal opportunity with his fellow men, but such is too often not the case. The electric utility industry is a case at hand as is the case of any privately owned Federal tax-paying business with a competitor across the street who pays little or no Federal tax.

Over 80 per cent of the electric customers in the United States are served by investor-owned electric utility systems that pay more than $1 billion in Federal taxes annually to the US Treasury. In contrast, similar facilities built by your tax dollars go scot free of Federal taxes, as do the non-Federal publicly owned electric utility systems.

IN ADDITION TO FEDERAL TAXES, these same investor-owned electric utility companies pay annually more than $600 million in state and local taxes or over three and one-half mills on every kilowatt-hour of power they market. Altogether, on the average, over 23 per cent of the income they receive from the sale of electric power is returned to local, state and Federal governments to be used for schools, roads, police, national defense, old age and soldiers' pensions and other expenses.

With respect to local and state taxes, most Federal projects make no provision for such payments, while others provide for payments in lieu of taxes that are only a fraction of those paid by private utilities.

Year after year TVA officials have bragged about the development that has taken place in the Tennessee Valley. For instance, reports consistently inferred that the TVA was doing a wonderful job of

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farm electrification. In the fiscal year 1954 report, TVA had this to say:

"Rural electrification has made great strides during the eight-year period, 1946-54. The number of farms served was multiplied three and one-half times, from 125,000 to 436,000. . . . But more important from the Nation's viewpoint is the fact that rural electrification in the Tennessee Valley region pioneered the vast national development of rural electrification that burgeoned after 1935."

Actually, pioneering work on rural electrification had been started back in 1923 by the formation of the National Committee on the Relation of Electricity to Agriculture.

The record also shows that the farm electrification criterion set up by TVA in the early days was on a restrictive basis that did little to promote area-wide service. In fact, it was a cream skimming type of farm electrification extension policy similar to that which public power proponents accused and condemned the investor-owned utilities of adopting.

The per customer use of electric power on the farms in the TVA region has consistently lagged behind the national average for farms east of the 100th meridian. Farm income in the TVA region has continued to lag behind that of most other sections of the country. In 1954 a TVA spokesman admitted that three out of four farms in the TVA area did not have running water. This is a sad commentary on TVA's vaunted leadership.

The TVA area, even with the enticement of subsidized power rates, has not been able to keep up with the industrial development in other areas of the South.

The people of the TVA area might well ask themselves if the total price of the so-called low cost power has not been too high when one counts in the loss of personal freedom, loss of economic progress in keeping with the balance of the South, and loss of personal satisfaction of doing for themselves and carrying their proper share of the cost of the Federal Government.

Perhaps the TVA paternalism might be likened to an opiate which creates an illusion of well being. The realities may not become apparent unless the opiate is taken away.

There have been indications in recent years that the people of the Tennessee Valley area are beginning to realize that TVA has not been the blessing that its officials and proponents would have us believe.

Tupelo, Mississippi, was one of the first towns to distribute TVA power. I quote from an editorial in the *Tupelo Journal* of June 12, 1953:

"The time has come for TVA to back up and admit that the fastest growth in the South actually has taken place outside the TVA area and we who live within its borders are still as a whole just about the poorest people in America.

". . . With the exception of giant projects like the Oak Ridge atomic energy plant that Uncle Sam has plunked down in Tennessee, the TVA area has shown less rapid industrial growth than several other portions of the South.

"And in income, the TVA area is still dollar for dollar further behind the national average than it was in 1933 when the Tennessee Valley Authority was first established."

Russian dictator Khrushchev has said that our grandchildren will be living under socialism. Are we to permit that to happen by apathy to programs for socialization of the electric power industry as the fore-runner to eventual socialization of all industry, including farming, the greatest of all industries under our American free enterprise system of Government?

I know that the American people as a whole are proud of the heritage of freedom that gallant patriots fought and died to create and maintain. Are we to fritter away this birthright of freedom through the failure to recognize the gradual encroachment of a socialistic welfare state?

I BESEECH EVERY GOOD AMERICAN to think twice before he or she supports any program, or any candidate for high office who advocates a program, which will lead us down the road toward socialism.

It will take the combined efforts of every American who wants to preserve our free institutions to be ever on guard to see that these taxpaying enterprises continue to operate.

Our free enterprise system has made us the most prosperous Nation on earth with the highest living standards. Are we to throw away this heritage for socialism and a welfare state? I am sure the majority of the American people's answer will be no, if only they can be made to realize the danger confronting them. Each patriotic American should do his part to awaken the Nation to the insidious danger confronting us today.

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